

Registered number: 02266267  
Charity number: 700405

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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**CONTENTS**

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	Page
<b>Reference and administrative details of the company, its Trustees and advisers</b>	1 - 2
<b>Trustees' report</b>	3 - 11
<b>Independent auditor's report on the financial statements</b>	12 - 16
<b>Consolidated statement of financial activities</b>	17
<b>Consolidated balance sheet</b>	18 - 19
<b>Company balance sheet</b>	20 - 21
<b>Consolidated statement of cash flows</b>	22
<b>Notes to the financial statements</b>	23 - 54

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**NATIONAL HORSERACING COLLEGE**  
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
*FOR THE YEAR ENDED 31 JULY 2021*

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**Trustees**

Mr Gerard Sutcliffe, Chairman  
Mr Howard Wright, Deputy Chairman  
Mr Timothy Adams MBE  
Mr Timothy Lyle  
Mr James Hetherton  
Mr Jeffrey Ennis  
The Honourable Oliver Greenall  
Ms Susannah Gill  
Ms Nicola Frampton  
Ms Sally Iggulden  
Dr Helen McCarthy (appointed 2 June 2021)  
Mr Callum Helliwell (appointed 8 December 2021)  
Mr Christopher Mallinson (resigned 13 December 2020)  
Mr N Brewster (resigned 18 November 2021)

**Vice Presidents**

Mr Sandy Struthers  
Sir Robert Ogden CBE LLD (deceased 8 March 2022)  
Monsieur Didier Garnier  
Mr Roy Thwaites  
The Rt Hon Richard Caborn  
Ms Julie Krone

**Company registered number**

02266267

**Charity registered number**

700405

**Registered office**

The Stables, Rossington Hall, Great North Road, Doncaster, South Yorkshire, DN11 0HN

**Patron**

Countess of Halifax

**Chief executive officer**

Mr Stephen Padgett OBE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)  
*FOR THE YEAR ENDED 31 JULY 2021*

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**Independent auditor**

BHP LLP, 2 Rutland Park, Sheffield, S10 2PD

**Bankers**

Yorkshire Bank, 19 St Sepulchre Gate, Doncaster, DN1 1TD

**Solicitors**

Jordans, 4 Priory Place, Doncaster, DN1 1BP

**Pension Administrators**

South Yorkshire Pensions Authority, P O Box 37, Regent Street, Barnsley, S70 2PQ

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**NATIONAL HORSERACING COLLEGE**  
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**TRUSTEES' REPORT**  
*FOR THE YEAR ENDED 31 JULY 2021*

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The trustees present their report and the audited financial statements of the charitable group for the year ended 31 July 2021. The Annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charitable group.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

**Overview**

During the second half of the last audit period, the College's learners, staff and leaders had developed and adopted ways of operating and managing in order to continue the training needed by the racing industry despite the global COVID-19 pandemic. Throughout this reporting period, although the pandemic continued to be a dominating factor, the new ways of working were validated, proving sufficiently effective to allow on-site delivery of training to continue virtually uninterrupted. The diligence and commitment of staff at all levels played a crucial role in enabling this and lead to the College finding itself in a stronger position than was feared.

While the consequences of the coronavirus pandemic will continue to be felt for years to come, this report is written in the confident expectation that the robust, timely and effective actions of the NHC's leaders have not only protected the College from what could have been an existential threat but have positioned it to continue to succeed through and beyond these extraordinary and deeply challenging times. In addition, trustees wish to re-state their appreciation of the very supportive positions adopted by partners in the industry, the flexibility and resilience of the College's staff and the patient stoicism of learners.

***Objectives and activities***

**a. Policies and objectives**

The objects of the charity are to advance education, particularly among young persons, and to relieve the need of unemployed persons by the provision of vocational and academic training connected with the horse racing, equestrian, agricultural, horticultural and their allied areas.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'

**b. Strategies for achieving objectives**

- Provide accessible and inclusive training opportunities for people wanting to work in the horse racing industry.
- Ensure training is realistic and relevant but delivered progressively to develop learners to be ready for work.
- Provide a supportive, encouraging environment around that training enabling as many learners as possible to achieve their goals.
- Engage widely and collaboratively with employers across the industry to maximise learners' chances of gaining and keeping paid employment.
- Promote constructive behaviours and positive attitudes in all that we do.
- Make the very best of resources available to optimise the College's contribution to public benefit.

**Objectives and activities (continued)**

**c. Activities undertaken to achieve objectives**

- Recruit widely and remove as many barriers as possible that could deter potential learners.
- Provide bursaries and other practical support to ensure those with limited resources can access training opportunities.
- Provide intensive residential Foundation Courses covering a comprehensive syllabus that prepares them for the jobs that are available.
- Deliver life skills training to increase learners' resilience, confidence and independence.
- Match learners with the most appropriate employment opportunities to optimise their chances of satisfaction and success.
- Provide ongoing support in the workplace to enable further learner development (apprenticeships) and aid worker retention.

**d. Main activities undertaken to further the company's purposes for the public benefit**

The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aim and objectives and in planning our future activities. In particular, the trustees consider its investment into its chosen workstreams of Workforce and Community Investment contribute towards its objectives through providing a public benefit.

The National Horseracing College (NHC) is the only specialist training provider to the horse racing industry in the north of England and one of only two in the United Kingdom. The College offers a variety of training courses designed to meet industry needs. It has a reputation for delivering high quality staff, many of whom go on to have long careers in a wide variety of roles in racing.

***Achievements and Performance***

**a. Study Programme**

In 2020/21, there were 104 learners overall on Study Programme courses – these included 34 Traineeships, 53 on the L1 Residential Foundation Course (FC) and 17 on the non-residential, day attendance Doncaster Equine College (DEC) Programme. The residential programme is 12 weeks duration followed by a 6-week work placement planned with an employer. While most learners are 16-18 year olds living away from home for the first time, each intake usually includes a small number of 19+ learners.

Qualifications on the FC include Level 1 (L1) Diploma in Racehorse Care and Riding, L1 Diploma in Work-Based Horse Care, Entry 3 Award in Basic Knowledge of the Horseracing Industry, L3 Award Short journey in the transportation of Horses and Functional skills. L1 Diploma rates have improved to 87.9%. Traineeship achievement rates are high at 87.6% and Study Programme overall success rates have improved to 88.1% from 75.6% in 2019/20.

This has been a particularly challenging year due to COVID-19. Residential FC students were required to stay on site without access to visitors, sometimes for the whole course, and this caused emotional distress for some students. Despite other difficulties, the College's approach this year led to the retention rate for all age groups on the FC reaching an extraordinarily impressive 92%, one of the two highest rates (93% last year) of the last decade.

### **Achievements and Performance (continued)**

#### **(continued)**

Functional English results overall have improved radically (90%) and mathematics results overall (90.6%) are outstanding considering the starting points of learners. There is a clear correlation that the starting points of learners impacts on their retention and achievement rates. Of the FC cohorts in 2020/21: 36% have received counselling or had a support worker, 25% have a self-stated learning difficulty, 26% consider they have a mental health problem, 10% did not complete school, 4% have an Education, Health & Care Plan (EHCP), 5% were fostered/in care/adopted, 12% have a self-stated physical health problem, 5% have a self-stated disability. While the proportion of disadvantaged learners has increased, NHC's dedicated staff continue to drive up achievements and progressions to very positive effect. It is outstanding that 91.6% of learners with learning difficulties or disabilities (LLDD) achieve better than the rest of their main group of peers.

The NHC prepares non-employed young people for the world of work. Learners follow an intensive curriculum that includes social development skills covering employability, cooking, resilience, self-belief, time management skills and preparation for functional skills at different levels. There is a range of other additional accreditation opportunities such as safeguarding, emergency first aid, Racing2Learn modules e.g. health & wellbeing, LGBT+ awareness. There are also sessions delivered by external speakers from NARS, Racing Welfare, Galahad (drug awareness) and a nutrition expert.

Parent or guardian feedback is very positive about the personal development and improved behaviour of their children. Of those who graduated from the residential FC 86% went into work placement (and then apprenticeship 52%) and 72% of those who graduated had a positive destination. There was a decline in learners moving into positive destinations, mostly due to the disruption caused by the pandemic.

#### **b. Apprenticeships**

The College's staff work hard to match learners to employers to determine the best placement for them. The frequency of support for learners on transition to apprenticeships has increased, with consequent improvement in progressions. Once on apprenticeships, learners are employed in line with a national wage scale sanctioned by the British Horseracing Authority (BHA), which exceeds Apprenticeship wage requirements. Learners are on apprenticeships for up to 18 months and move between employers where necessary and appropriate. Where learners express a justified desire to move, NHC works hard to find alternative racing yards, maintaining close contact to retain the learner in learning. The industry is renowned for its high turnover of staff and NHC works hard to keep apprentices on programme until completion. It has instigated more thorough tracking of its early leavers and it is now known that 85% stay in the equine industry.

The curriculum offer in 2020/21 comprised L2 and L3 apprenticeships in equine groom and senior equine groom including diplomas. Additional qualifications are offered to learners including emergency first aid, safeguarding, transporting horses by road on long journeys and L2 functional skills.

There were 153 learners in learning overall, this was an increase of around 20% in numbers on the previous year. Achievement levels declined on previous years – in the main due to COVID-19 and the challenge of sitting End Point Assessments (EPA) in 2020. Overall achievement in 2020/21 was 73.6% against 75% the previous year but both years were slightly above the provider group and national averages. The College encouraged and worked with its awarding organisation to enable flexible EPA in light of COVID-19 restrictions. Almost all apprentices getting to EPA achieved a pass and 30% achieved a distinction.

**Achievements and Performance (continued)**

(continued)

**c. Priorities, Activities and Achievements**

Constant priorities around safeguarding and our duty of care to learners on residential courses, learners in the workplace and to staff took a new twist with the continued risks posed by COVID-19 during this year. The efforts that had been made to develop and adopt effective COVID safety protocols specific to the situation at the NHC proved more successful than anyone could have hoped. Clearly, a very high priority also had to continue to be devoted to ensuring the viability of the business. Well-informed, timely decision-making by the Levy Board and Racing Foundation helped to support the NHC as part of the wider racing industry through the crisis. Internally, careful planning, control of outgoings, re-scheduling of works and optimal use of Government schemes combined to put the College in a good position despite the extraordinary challenges of the pandemic. One of the unexpected positive consequences of new working protocols was the successful implementation of flexible working practices which, though designed initially to reduce the risks of COVID transmission, have proved already to be facilitating increased productivity and improved quality of life in some respects.

**d. Marketing and Recruiting**

Additional resources put into this area over recent years seem to be delivering benefits in terms of increased expressions of interest, increased engagement through social media and increased applications for attendance on the Foundation Course. It is too early to tell if the consequences for the wider national economy of the pandemic or even the consequences of Brexit may affect numbers seeking jobs in the racing industry or the number of jobs on offer. However, marketing and recruiting efforts continue apace as the industry as a whole had a significant shortfall of staff pre-pandemic and, even if some contraction occurs, there was plenty of ground to make up and the NHC has to support that effort.

**e. Fundraising and Commercial Activities**

These activities continued to be affected adversely this year as COVID-19 put paid to many of the plans and otherwise reasonable expectations for letting of facilities, grant making bodies shifted many of their priorities for donations and opportunities to engage the public virtually ceased.

The charity has not carried out any significant fundraising activities.

**f. Infrastructure and Equipment**

The NHC continued to invest in these areas as part of its strategy to enhance the offer to learners and the attraction of commercial users. The increased capabilities and capacity of the NHC's own maintenance staff continued to allow improvements to be made to facilities at modest cost even when the effects of the pandemic limited the availability of tradesmen elsewhere.

The sale of the land the College holds on a 99 year lease (to 2095), which is approximately half of the area occupied by the College but upon which the majority of its built infrastructure is sited, has had little impact on the operations or ambitions of the NHC. Trustees are entirely confident in the security of the College's lease and do not foresee the transfer of ownership posing any meaningful threat to the enterprise but continue to hope it might present opportunities in the future.

**Achievements and Performance (continued)**

***Financial review***

**a. Going concern**

The charity, for some years, has been unable to comply with its policy to hold free reserves of between 1 and 2 months operational expenditure. Group surpluses in unrestricted funds in recent years had allowed the College to work towards adherence of the policy, however the onset of the global pandemic brought increased risk to the charity's finances.

The NHC has been fortunate to be supported by continued regular contract payments from the racing industry and some additional support recognising the significant impact that will result over the coming year to two years due to cohorts of learners which could not enter the training pipeline.

Steps taken by central government, local authorities and the racing industry already have helped to support the College's own efforts to sustain its staff and learners through this period of global adversity. Uncertainties around the pandemic still remain, but the business has taken decisive and effective measures to preserve cash flow and increase its resilience.

The trustees have prepared forecasts of income and expenditure and cash flow for the period to 31 March 2023 which shows that they have sufficient cash to be able to continue for the foreseeable future. The trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

**b. Reserves policy**

The NHC has been fortunate to be supported by continued regular contract payments from the racing industry and some additional support recognising the significant impact that has already or will be felt due to cohorts of learners not entering the training pipeline. However, the global pandemic highlighted starkly the need for all businesses to maintain a reserve. Management decisions have sought, very determinedly, to preserve liquidity in the business to allow it to weather successfully the storm whose impact will continue to be felt. For many years the College was unable to fulfil its ambition to hold free reserves of between one and two months of the resources expended. This corresponds to between £210,000 and £420,000 when calculated based on expenditure in 2021. However, small surpluses in unrestricted funds in recent years and particularly careful husbandry of resources this year have put the NHC in a relatively good position in this respect at the time of reporting. Due to the historical way the College has been funded the trustees manage the finances at net current asset level rather than taking into account bank loans due in more than one year which are being repaid out of future surpluses.

Net current assets at 31 July 2021 are £373,202 of which £246,763 are represented by restricted funds, leaving unrestricted net current assets of £126,439 (of which £56,335 are held as designated funds). Whilst this is below the minimum free reserves level of £210,000 it is clear that the College is moving in the right direction and expects to meet the target levels by the generation of surpluses in future years.

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 JULY 2021*

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**c. Financial performance**

The operating surplus for the year was £209,252 (2020: £274,803) with an actuarial gain for UK accounting purposes, which does not affect cash, of £243,000 (2020: £498,000 actuarial loss) due to periodic revaluation of pension liabilities, leading to a net surplus for the year of £452,252 (2020: £223,197 net deficit).

The total funds carried forward at the year end are £1,280,509 (2020: £828,257) of which £1,033,746 (2020: £565,087) are unrestricted and £246,763 (2020: £263,170) are restricted.

**d. Pension liability**

The Accounting for Pensions regulations have had an impact on the net assets position of the Charity once again. The latest actuarial valuation of the Scheme resulted in a decrease in the liability on the defined benefit pension scheme of £209k from £1.883 million to £1.674 million.

This liability is, of course, a statement of the theoretical pension liability of the Charity at the balance sheet date based upon current assumptions of future discount rates; future salary and pension increases and inflation. The liability only crystallises when members retire or in the event of the winding up of the scheme, which is highly unlikely given that it is the multi-employer South Yorkshire local Government Scheme. The scheme has been closed to new NHC employees since before 2015.

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**e. Principal risks and uncertainties**

While the NHC's leaders view the monitoring, assessment and mitigation of risks to be an ongoing process, risk management policies are subject routinely to periodic review. Risks are categorised low, medium or high in terms of likelihood and seriousness. Modifying actions in response will transfer, treat, tolerate or terminate each risk. Every risk has a designated owner and a timeframe for actions to be taken.

The table below illustrates some of the risk areas with potentially the most serious consequences:

Risk	Likelihood	Seriousness	Modifying Actions	Owner
Safeguarding failure - staff	LOW	HIGH	TREAT DBS checks, training, supervision.	CEO
Safeguarding failure - learner	MEDIUM	HIGH	TREAT Training, supervision.	Operations Director (Safeguarding Lead)
Major IT breach	MEDIUM	HIGH	TREAT Retain comprehensive IT specialist support, backup protocols, protective measures, training.	Support Services Manager
Human disease preventing delivery/receipt of training	MEDIUM	HIGH	TREAT Awareness, preparation, training, discipline, learner vaccination mandatory.	CEO
Termination of property leases	LOW	HIGH	TOLERATE	CEO
Catastrophic fire/flood	LOW	HIGH	TREAT Dispersal of assets, backup protocols, protective measures, training.	Support Services Manager
Loss of ESFA contract	LOW	HIGH	TREAT Maintain or enhance quality of provision (OFSTED 1 or 2) while fulfilling/over-performing against contract.	CEO
Loss of BHA contract	LOW	HIGH	TREAT Retain ESFA revenue to subsidize cost to industry, fulfil/over-perform against BHA contract, respond to industry needs.	CEO
Equine disease preventing delivery of training	LOW	HIGH	TREAT Maintain situational awareness, contingency planning, training.	Training Manager
Very serious fraud	LOW	HIGH	TREAT Limits on powers of any individual, effective protocols, comprehensive checks, insurance	CEO

**Structure and Governance**

**a. Constitution**

National Horseracing College registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 19 February 1988 and is a registered charity number 700405.

**b. Methods of appointment or election of Trustees**

The management of the company and the group is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited through sector networks and approached to discuss taking on a trustee role.

**c. Organisational structure and decision-making policies**

The Board meets quarterly. Its business always includes a comprehensive update from the Chief Executive. Business decisions that have strategic significance are made at Board level.

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**NATIONAL HORSERACING COLLEGE**  
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**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 JULY 2021*

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**Structure and Governance (continued)**

There is a single standing sub-committee, the Finance Committee which is chaired by a trustee who is a very experienced accountant and business person. Attendees include the Board Chairman, the Chief Executive, the Finance Director, the Operations Director and the Support Services Manager. All major financial decisions are recommended to the Main Board where decision making occurs.

Task and Finish Groups are established for specific purposes e.g. Nominations Committee to identify a new Chairman or a selection panel to select a new Chief Executive.

All trustees, including the Chair, have fixed terms of office.

**d. Policies adopted for the induction and training of Trustees**

New trustees are provided with a comprehensive induction, led by the Chief Executive and involving other staff, to ensure they are provided with a comprehensive view of what the NHC does and how it does it.

All trustees are informed of trustee training opportunities organised by external bodies and encouraged to attend ones that will be valuable to them.

Informal visits by trustees are encouraged at any time to allow them to get to know the College well.

**e. Pay policy for key management personnel**

Trustees and senior leaders continue to recognise that the organisation's success is reliant on its team of dedicated staff. While it is College policy to pay employees at rates consistent with the wider Industry market where possible, no employee is paid less than the UK's National Living Wage. For the calendar year 2020, salaries for all staff were increased in line with inflation. Adjustments to the salaries of the College's senior leaders are made on the same basis as other employees.

**Plans for future periods**

The continued success of the College is linked inextricably to the health and success of racing as a whole. Trustees appreciate greatly therefore, the efforts made by the BHA, other entities and many individuals across the racing industry that have allowed racing to continue, although with limitations, despite the COVID-19 pandemic. Steps taken by central government, local authorities and the racing industry already have helped to support the College's own efforts to sustain its staff and learners through this period of global adversity. While uncertainties remain, the business has taken decisive and effective measures to preserve cash flow and increase its resilience. Therefore, trustees believe that the company has adequate resources to continue as a healthy going concern and they look forward to the future with justifiable optimism. Further details regarding the adoption of the going concern basis can be found in the Note 2 – Accounting Policies.

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 JULY 2021*

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**Statement of Trustees' responsibilities**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditor**

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

**Auditor**

The auditor, BHP LLP, has indicated their willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

Approved by order of the members of the board of trustees and signed on their behalf by:

  
gerard sutcliffe (Mar 16, 2022 08:39 GMT)

**Mr Gerard Sutcliffe**

Date: Mar 16, 2022

### **Opinion**

We have audited the financial statements of National Horseracing College (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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**NATIONAL HORSERACING COLLEGE**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NATIONAL HORSERACING COLLEGE**  
**(CONTINUED)**

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**Other information**

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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**NATIONAL HORSERACING COLLEGE**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NATIONAL HORSERACING COLLEGE**  
**(CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the charities sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Charities Act 2011, Companies Act 2006, quality assurance of courses, safeguarding, horse welfare, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NATIONAL HORSERACING COLLEGE**  
**(CONTINUED)**

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- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our Auditor's report.

#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NATIONAL HORSERACING COLLEGE  
(CONTINUED)

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[Jane Marshall \(Mar 16, 2022 14:58 GMT\)](#)

**Jane Marshall (Senior statutory auditor)**

for and on behalf of

**BHP LLP**

Chartered Accountants

Statutory Auditor

2 Rutland Park

Sheffield

S10 2PD

Date: Mar 16, 2022

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 JULY 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
Donations and legacies	4	16,600	-	16,600	45,000
Charitable activities	5	1,075,813	1,526,988	2,602,801	2,427,953
Other trading activities	6	135,320	-	135,320	122,435
Other income	7	13,522	-	13,522	143,385
<b>Total income</b>		<b>1,241,255</b>	<b>1,526,988</b>	<b>2,768,243</b>	<b>2,738,773</b>
<b>Expenditure on:</b>					
Raising funds:	8				
Voluntary income		103,522	-	103,522	74,453
Other trading		83,274	-	83,274	78,791
Charitable activities	9	868,040	1,483,395	2,351,435	2,287,628
Other expenditure	11	20,760	-	20,760	23,098
<b>Total expenditure</b>		<b>1,075,596</b>	<b>1,483,395</b>	<b>2,558,991</b>	<b>2,463,970</b>
<b>Net income</b>		<b>165,659</b>	<b>43,593</b>	<b>209,252</b>	<b>274,803</b>
Transfers between funds	22	60,000	(60,000)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>225,659</b>	<b>(16,407)</b>	<b>209,252</b>	<b>274,803</b>
<b>Other recognised gains/(losses):</b>					
Actuarial gains/(losses) on defined benefit pension schemes	29	243,000	-	243,000	(498,000)
<b>Net movement in funds</b>		<b>468,659</b>	<b>(16,407)</b>	<b>452,252</b>	<b>(223,197)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		565,087	263,170	828,257	1,051,454
Net movement in funds		468,659	(16,407)	452,252	(223,197)
<b>Total funds carried forward</b>		<b>1,033,746</b>	<b>246,763</b>	<b>1,280,509</b>	<b>828,257</b>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**  
REGISTERED NUMBER: 02266267

**CONSOLIDATED BALANCE SHEET**  
AS AT 31 JULY 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	16	2,894,369	2,857,743
		<u>2,894,369</u>	<u>2,857,743</u>
<b>Current assets</b>			
Stocks	18	31,492	35,438
Debtors	19	176,816	85,353
Cash at bank and in hand		591,481	551,748
		<u>799,789</u>	<u>672,539</u>
Creditors: amounts falling due within one year	20	(426,587)	(380,272)
<b>Net current assets</b>		<u>373,202</u>	292,267
<b>Total assets less current liabilities</b>		<u>3,267,571</u>	3,150,010
Creditors: amounts falling due after more than one year	21	(313,062)	(438,753)
<b>Net assets excluding pension liability</b>		<u>2,954,509</u>	2,711,257
Defined benefit pension scheme liability	29	(1,674,000)	(1,883,000)
<b>Total net assets</b>		<u><u>1,280,509</u></u>	<u><u>828,257</u></u>
<b>Charity funds</b>			
Restricted funds	22	246,763	263,170
Unrestricted funds			
Designated funds	22	56,335	56,335
General funds	22	2,651,411	2,391,752
		<u>2,707,746</u>	<u>2,448,087</u>
Unrestricted funds excluding pension liability	22	2,707,746	2,448,087
Pension reserve	22	(1,674,000)	(1,883,000)
		<u>1,033,746</u>	<u>565,087</u>
Total unrestricted funds	22	1,033,746	565,087
<b>Total funds</b>		<u><u>1,280,509</u></u>	<u><u>828,257</u></u>

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**  
REGISTERED NUMBER: 02266267

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CONSOLIDATED BALANCE SHEET (CONTINUED)  
AS AT 31 JULY 2021

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The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

  
gerard sutcliffe (Mar 16, 2022 08:39 GMT)

**Mr Gerard Sutcliffe**  
(Chair of Trustees)  
Date: Mar 16, 2022

The notes on pages 23 to 54 form part of these financial statements.

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**  
REGISTERED NUMBER: 02266267

COMPANY BALANCE SHEET  
AS AT 31 JULY 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	16	2,857,065	2,813,642
Investments	17	2	2
		<u>2,857,067</u>	<u>2,813,644</u>
<b>Current assets</b>			
Stocks	18	22,060	24,412
Debtors	19	297,501	157,530
Cash at bank and in hand		461,706	463,325
		<u>781,267</u>	<u>645,267</u>
Creditors: amounts falling due within one year	20	(408,063)	(369,358)
<b>Net current assets</b>		<u>373,204</u>	<u>275,909</u>
<b>Total assets less current liabilities</b>		<u>3,230,271</u>	<u>3,089,553</u>
Creditors: amounts falling due after more than one year	21	(313,062)	(438,753)
<b>Net assets excluding pension liability</b>		<u>2,917,209</u>	<u>2,650,800</u>
Defined benefit pension scheme liability	29	(1,674,000)	(1,883,000)
<b>Total net assets</b>		<u><u>1,243,209</u></u>	<u><u>767,800</u></u>

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 JULY 2021

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	Note	2021 £	2020 £
<b>Charity funds</b>			
Restricted funds	22	<b>246,763</b>	263,170
Unrestricted funds			
Designated funds	22	<b>56,335</b>	56,335
General funds	22	<b>2,614,111</b>	2,331,295
		<hr/>	<hr/>
Unrestricted funds excluding pension liability	22	<b>2,670,446</b>	2,387,630
Pension reserve	22	<b>(1,674,000)</b>	(1,883,000)
		<hr/>	<hr/>
Total unrestricted funds	22	<b>996,446</b>	504,630
		<hr/>	<hr/>
<b>Total funds</b>		<b>1,243,209</b>	767,800
		<hr/> <hr/>	<hr/> <hr/>

The company's net movement in funds for the year was £475,409 (2020 - £(240,216)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

  
gerard sutcliffe (Mar 16, 2022 08:39 GMT)

**Mr Gerard Sutcliffe**  
(Chair of Trustees)  
Date: Mar 16, 2022

The notes on pages 23 to 54 form part of these financial statements.

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2021**

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	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	25	<b>318,849</b>	406,358
<b>Cash flows from investing activities</b>			
Proceeds from the sale of tangible fixed assets		-	30,142
Purchase of tangible fixed assets		<b>(134,734)</b>	(75,760)
<b>Net cash used in investing activities</b>		<b>(134,734)</b>	<b>(45,618)</b>
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowing		-	50,000
Repayments of borrowing		<b>(123,622)</b>	(74,050)
Interest paid		<b>(20,760)</b>	(23,098)
<b>Net cash used in financing activities</b>		<b>(144,382)</b>	<b>(47,148)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>39,733</b>	<b>313,592</b>
Cash and cash equivalents at the beginning of the year		<b>551,748</b>	238,156
<b>Cash and cash equivalents at the end of the year</b>	26	<b>591,481</b>	551,748

The notes on pages 23 to 54 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 JULY 2021*

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**1. General information**

The charity is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Its registered office is The Stables, Rossington Hall, Great North Road, Doncaster, South Yorkshire, DN11 0HN.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

National Horseracing College meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

**2.2 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**2.3 Going concern**

The charity, for some years, has been unable to comply with its policy to hold free reserves of between 1 and 2 months operational expenditure. Group surpluses in unrestricted funds in recent years had allowed the College to work towards adherence of the policy, however the onset of the global pandemic brought increased risk to the charity's finances.

The NHC has been fortunate to be supported by continued regular contract payments from the racing industry and some additional support recognising the significant impact that will result over the coming year to two years due to cohorts of learners which could not enter the training pipeline.

Steps taken by central government, local authorities and the racing industry already have helped to support the College's own efforts to sustain its staff and learners through this period of global adversity. Uncertainties around the pandemic still remain, but the business has taken decisive and effective measures to preserve cash flow and increase its resilience.

The Trustees have prepared forecasts of income and expenditure and cash flow for the period to 31 March 2023 which shows that they have sufficient cash to be able to continue for the foreseeable future.

**2. Accounting policies (continued)**

**2.3 Going concern (continued)**

The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

**2.4 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service. Included in other income is CJRS income which is recognised in the period for which the claim was made.

**2.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

**2. Accounting policies (continued)**

**2.5 Expenditure (continued)**

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**2.6 Tangible fixed assets and depreciation**

Tangible fixed assets costing £200 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Visitor centre	- Variable between 1% - 20% on a reducing balance basis
Building refurbishment	- Over the term of the lease
Leasehold land & buildings	- Over the term of the lease
Stable block	- 1% reducing balance
Plant, equipment and motor vehicles	- 10% reducing balance, 20% on cost
Gallop, menage and indoor riding school	- 5% on cost, 1% reducing balance
Assets under construction	- Not depreciated
Computer equipment	- 20 - 33% on cost

**2.7 Investments**

Investments in subsidiaries are valued at cost less provision for impairment.

**2.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**2. Accounting policies (continued)**

**2.9 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.11 Liabilities**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

**2.12 Financial instruments**

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.13 Finance leases and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.14 Operating leases**

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

**2. Accounting policies (continued)**

**2.15 Pensions**

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The group operates a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

**2.16 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**2.17 Taxation**

The company is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**2.18 Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

**3. Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The present value of the SY defined benefit pension liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net costs or income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the liability.

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**4. Income from donations and legacies**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
<b><i>Donations</i></b>			
Pontefract race day income	1,600	<b>1,600</b>	-
Leger Legends income	15,000	<b>15,000</b>	45,000
	<u>16,600</u>	<u><b>16,600</b></u>	<u>45,000</u>
Total 2020	<u>45,000</u>	<u>45,000</u>	

**5. Income from charitable activities**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
Operation of educational and training college	10,965	1,258,163	<b>1,269,128</b>	1,223,615
ESFA	997,595	-	<b>997,595</b>	665,427
Other activity related income	23,970	-	<b>23,970</b>	51,878
Grants (see detailed breakdown below)	43,283	268,825	<b>312,108</b>	487,033
	<u>1,075,813</u>	<u>1,526,988</u>	<u><b>2,602,801</b></u>	<u>2,427,953</u>
Total 2020	<u>939,355</u>	<u>1,488,598</u>	<u>2,427,953</u>	

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

Grants

	<b>2021</b>	2020
	£	£
Big Lottery	<b>57,825</b>	57,825
Regional training grant	<b>50,000</b>	79,858
Stalls refurbishment	-	15,000
Commercial assistance	-	50,000
Racing welfare	-	7,250
Immersive technology	-	10,000
Accomodation review	-	40,000
The Racing Foundation	<b>101,000</b>	-
IT equipment	<b>30,000</b>	-
Racing simulator	<b>30,000</b>	-
Horsebox grant	-	25,000
	<hr/>	<hr/>
Total restricted grants	<b>268,825</b>	284,933
	<hr/>	<hr/>
Racing welfare	<b>16,283</b>	-
BHA COVID-19 support	-	175,100
Regional training support	<b>12,000</b>	12,000
14-16 year old programme	<b>15,000</b>	15,000
	<hr/>	<hr/>
Total unrestricted grants	<b>43,283</b>	202,100
	<hr/>	<hr/>
Total	<b>312,108</b>	487,033
	<hr/>	<hr/>

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

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**6. Income from other trading activities**

**Income from non charitable trading activities**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
NHC Trading Limited	135,320	<b>135,320</b>	122,435
	<hr/>	<hr/>	<hr/>
Total 2020	122,435	122,435	
	<hr/>	<hr/>	

The charity has a wholly owned trading subsidiary, NHC Trading Limited (company number 03538751). The company was incorporated on 1 April 1998 and has issued share capital of two ordinary shares. The company gifts its taxable profits to National Horseracing College. Audited accounts are filed with Companies House.

**7. Other incoming resources**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
Insurance receipt	-	-	56,335
CJRS income	13,522	<b>13,522</b>	87,050
	<hr/>	<hr/>	<hr/>
	13,522	<b>13,522</b>	143,385
	<hr/>	<hr/>	<hr/>
Total 2020	143,385	143,385	
	<hr/>	<hr/>	

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 JULY 2021

**8. Expenditure on raising funds**

*Costs of raising voluntary income*

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
Fundraising and publicity	(100)	<b>(100)</b>	(27)
Voluntary income staff costs	103,622	<b>103,622</b>	74,480
	<u>103,522</u>	<u><b>103,522</b></u>	<u>74,453</u>
Total 2020	<u>74,453</u>	<u>74,453</u>	

*Other trading expenses*

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
Cost of sales	68,051	<b>68,051</b>	64,706
Administration expenses	8,426	<b>8,426</b>	10,404
Depreciation	6,797	<b>6,797</b>	3,681
<b>Total 2021</b>	<u>83,274</u>	<u><b>83,274</b></u>	<u>78,791</u>
Total 2020	<u>78,791</u>	<u>78,791</u>	

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

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9. **Analysis of expenditure on charitable activities**

*Summary by fund type*

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
Operation of educational and training college	868,040	1,483,395	<b>2,351,435</b>	2,287,628
<b>Total 2021</b>	<b>868,040</b>	<b>1,483,395</b>	<b>2,351,435</b>	<b>2,287,628</b>
Total 2020	918,041	1,369,587	2,287,628	

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

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**10. Summary by expenditure category**

	<b>2021</b>	2020
	£	£
Training costs	<b>128,581</b>	107,498
Accommodation	<b>419,765</b>	356,637
Stable yard	<b>148,219</b>	169,898
Staff costs	<b>694,801</b>	773,412
National Insurance	<b>97,786</b>	80,852
Pension costs	<b>103,235</b>	87,836
FRS 17 finance costs	<b>29,000</b>	30,000
Depreciation	<b>91,312</b>	85,261
<b>Total direct costs</b>	<b>1,712,699</b>	1,691,394
Administration costs	<b>268,664</b>	229,334
Staff costs	<b>182,341</b>	132,467
<b>Total management and administration</b>	<b>451,005</b>	361,801
Support administration costs	<b>58,975</b>	50,342
<b>Total support costs</b>	<b>58,975</b>	50,342
Governance costs (see note 12)	<b>128,756</b>	184,091
<b>Overall Total</b>	<b>2,351,435</b>	2,287,628

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**11. Other expenditure**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
Bank and other interest	20,760	<b>20,760</b>	23,098
Total 2020	23,098	23,098	

**12. Governance costs**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	Total funds 2020 £
Auditor's remuneration	9,435	-	<b>9,435</b>	9,860
Trustees' expenses	533	-	<b>533</b>	1,344
Legal and professional	16,299	-	<b>16,299</b>	57,859
Salaries and related charges	102,489	-	<b>102,489</b>	115,028
<b>Total 2021</b>	<b>128,756</b>	<b>-</b>	<b>128,756</b>	184,091
Total 2020	142,341	41,750	184,091	

**13. Net income/(expenditure)**

This is stated after charging:

	<b>2021 £</b>	2020 £
Depreciation of tangible fixed assets owned by the group	<b>92,832</b>	76,835
Depreciation of tangible fixed assets held under finance leases	<b>5,276</b>	12,107
Auditor's remuneration- audit	<b>9,435</b>	9,860
<b>Total</b>	<b>107,543</b>	98,802

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**14. Staff costs**

	<b>Group 2021</b>	Group 2020	<b>Company 2021</b>	Company 2020
	£	£	£	£
Wages and salaries	<b>1,078,253</b>	1,085,387	<b>1,078,253</b>	1,085,387
Social security costs	<b>97,786</b>	80,852	<b>97,786</b>	80,852
Pension costs	<b>103,235</b>	87,836	<b>103,235</b>	87,836
Operating costs of defined benefit pension schemes	<b>5,000</b>	10,000	<b>5,000</b>	10,000
	<b>1,284,274</b>	1,264,075	<b>1,284,274</b>	1,264,075

The average number of persons employed by the company during the year was as follows:

<b>Group 2021</b>	Group 2020
<b>No.</b>	No.
<b>48</b>	46

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>Group 2021</b>	Group 2020
	<b>No.</b>	No.
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	<b>1</b>	-

The total remuneration and benefits received by key management personnel including employer's NI and pension was £352,774 (2020: £287,623). The trustees consider senior management personnel to be the Chief Executive Officer, the Operations Director, the Support Services Manager, the Work Based Learning Manager, the Foundation Course Manager, the Head of Instructors and the Fundraising Manager.

**15. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 July 2021, expenses totalling £533 were reimbursed or paid directly to 3 Trustees (2020 - £1,344 to 6 Trustees). These expenses relate to the reimbursement of travel expenses incurred by the Trustees when attending National Horseracing College Trustee meetings and events.

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

**16. Tangible fixed assets**

*Group*

	Visitor centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Assets under construction £	Total £
<i>Cost or valuation</i>									
At 1 August 2020	816,681	463,619	1,239,582	652,271	833,164	515,580	60,013	-	4,580,910
Additions	-	-	-	-	4,770	49,397	34,837	45,730	134,734
At 31 July 2021	816,681	463,619	1,239,582	652,271	837,934	564,977	94,850	45,730	4,715,644
<i>Depreciation</i>									
At 1 August 2020	219,505	252,094	296,943	164,123	465,892	275,860	48,750	-	1,723,167
Charge for the year	13,169	3,401	10,314	6,492	12,249	38,215	14,268	-	98,108
At 31 July 2021	232,674	255,495	307,257	170,615	478,141	314,075	63,018	-	1,821,275
<i>Net book value</i>									
At 31 July 2021	584,007	208,124	932,325	481,656	359,793	250,902	31,832	45,730	2,894,369
At 31 July 2020	597,176	211,525	942,639	488,148	367,272	239,720	11,263	-	2,857,743

**NATIONAL HORSERACING COLLEGE**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

**16. Tangible fixed assets (continued)**

*Company*

	Visitor centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Assets under construction £	Total £
<i>Cost or valuation</i>									
At 1 August 2020	816,681	463,619	1,235,441	652,271	833,164	394,245	60,013	-	4,455,434
Additions	-	-	-	-	4,770	49,397	34,837	45,730	134,734
At 31 July 2021	816,681	463,619	1,235,441	652,271	837,934	443,642	94,850	45,730	4,590,168
<i>Depreciation</i>									
At 1 August 2020	219,505	252,094	296,035	164,123	465,892	195,393	48,750	-	1,641,792
Charge for the year	13,169	3,401	10,231	6,492	12,249	31,501	14,268	-	91,311
At 31 July 2021	232,674	255,495	306,266	170,615	478,141	226,894	63,018	-	1,733,103
<i>Net book value</i>									
At 31 July 2021	584,007	208,124	929,175	481,656	359,793	216,748	31,832	45,730	2,857,065
At 31 July 2020	597,176	211,525	939,406	488,148	367,272	198,852	11,263	-	2,813,642

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

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**17. Fixed asset investments**

<i>Company</i>	Investments in subsidiary companies £
<i>Cost or valuation</i>	
At 1 August 2020	2
At 31 July 2021	<u>2</u>
<i>Net book value</i>	
At 31 July 2021	<u>2</u>
At 31 July 2020	<u>2</u>

National Horseracing College owns 100% of the ordinary share capital of its trading subsidiary, NHC Trading Limited, a company incorporated in England and Wales.

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**17. Fixed asset investments (continued)**

**Principal subsidiaries**

The following was a subsidiary undertaking of the company:

<b>Name</b>	<b>Company number</b>	<b>Registered office or principal place of business</b>	<b>Class of shares</b>	<b>Holding</b>
NHC Trading Limited	03538751	The Stables, Rossington Hall, Great North Road, Doncaster, DH11 0HN	Ordinary	100%

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Profit for the year £</b>	<b>Net assets £</b>
NHC Trading Limited	<b>135,320</b>	<b>(133,189)</b>	<b>2,131</b>	<b>37,302</b>

**18. Stocks**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Finished goods	<b>31,492</b>	35,438	<b>22,060</b>	24,412

**19. Debtors**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Trade debtors	<b>108,016</b>	54,197	<b>93,980</b>	49,909
Amounts owed by group undertakings	-	-	<b>134,721</b>	76,465
Other debtors	<b>877</b>	4,729	<b>877</b>	4,729
Prepayments and accrued income	<b>67,923</b>	26,427	<b>67,923</b>	26,427
	<b>176,816</b>	85,353	<b>297,501</b>	157,530

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021

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**20. Creditors: Amounts falling due within one year**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	<b>64,268</b>	61,440	<b>64,268</b>	61,440
Trade creditors	<b>154,846</b>	69,971	<b>142,449</b>	63,210
Other taxation and social security	<b>40,012</b>	29,867	<b>34,914</b>	26,744
Obligations under finance lease and hire purchase contracts	<b>8,695</b>	9,454	<b>8,695</b>	9,454
Other creditors	<b>158,766</b>	209,540	<b>157,737</b>	208,510
	<b>426,587</b>	380,272	<b>408,063</b>	369,358

The hire purchase contract is secured against the asset to which it relates.

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

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**21. Creditors: Amounts falling due after more than one year**

	<b>Group 2021</b>	Group 2020	<b>Company 2021</b>	Company 2020
	£	£	£	£
Bank loans	<b>311,963</b>	432,257	<b>311,963</b>	432,257
Net obligations under finance lease and hire purchase contracts	<b>1,099</b>	6,496	<b>1,099</b>	6,496
	<b>313,062</b>	438,753	<b>313,062</b>	438,753

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	<b>Group 2021</b>	Group 2020	<b>Company 2021</b>	Company 2020
	£	£	£	£
Repayable by instalments	<b>165,000</b>	181,026	<b>165,000</b>	181,026
	<b>165,000</b>	181,026	<b>165,000</b>	181,026

Bank loans and overdrafts are secured by way of a first legal charge over the assets and undertakings of the charity, including the Residential Centre, Rossington Hall, Great North Road, Doncaster.

Bank loans are repaid monthly over the term of the loan. Interest is payable at a fixed rate of 5.955%. Interest on any bank overdrafts is payable at 5.55% above base rate.

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**22. Statement of funds**

**Statement of funds - current year**

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
College improvements	56,335	-	-	-	-	56,335
<b>General funds</b>						
General funds	2,331,295	1,105,935	(908,407)	85,288	-	2,614,111
Reserves held in subsidiary	60,457	135,320	(133,189)	(25,288)	-	37,300
Pension reserve	(1,883,000)	-	(34,000)	-	243,000	(1,674,000)
	<b>508,752</b>	<b>1,241,255</b>	<b>(1,075,596)</b>	<b>60,000</b>	<b>243,000</b>	<b>977,411</b>
<b>Total Unrestricted funds</b>	<b>565,087</b>	<b>1,241,255</b>	<b>(1,075,596)</b>	<b>60,000</b>	<b>243,000</b>	<b>1,033,746</b>
<b>Restricted funds</b>						
Horseracing grant scheme	60,000	-	(2,000)	-	-	58,000
Regional training grant	64,175	141,000	(126,494)	-	-	78,681
Horsebox grant	25,000	-	-	-	-	25,000
Big Lottery funding	57,825	57,825	(86,738)	-	-	28,912
Peter O'Sullivan Trust - Lunge pen	48,125	-	-	-	-	48,125
The Racing Foundation- Lunge pen	8,045	-	-	-	-	8,045
BHA & HBLB programmes	-	1,258,163	(1,258,163)	-	-	-

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**22. Statement of funds (continued)**

*Statement of funds - current year (continued)*

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
Peter O'Sullivan - simulator	-	30,000	-	(30,000)	-	-
IT Grant	-	30,000	-	(30,000)	-	-
MIS compliance manager	-	10,000	(10,000)	-	-	-
	<b>263,170</b>	<b>1,526,988</b>	<b>(1,483,395)</b>	<b>(60,000)</b>	<b>-</b>	<b>246,763</b>
<b>Total of funds</b>	<b>828,257</b>	<b>2,768,243</b>	<b>(2,558,991)</b>	<b>-</b>	<b>243,000</b>	<b>1,280,509</b>

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**22. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
College improvements	-	56,335	-	-	-	56,335
<b>General funds</b>						
General funds	2,194,997	1,071,405	(966,455)	31,348	-	2,331,295
Reserves held in subsidiary	43,438	122,435	(87,928)	(17,488)	-	60,457
Pension reserve	(1,345,000)	-	(40,000)	-	(498,000)	(1,883,000)
	893,435	1,193,840	(1,094,383)	13,860	(498,000)	508,752
<b>Total Unrestricted funds</b>	<b>893,435</b>	<b>1,250,175</b>	<b>(1,094,383)</b>	<b>13,860</b>	<b>(498,000)</b>	<b>565,087</b>
<b>Restricted funds</b>						
Horseracing grant scheme	60,000	-	-	-	-	60,000
Regional training grant	27,269	79,858	(42,952)	-	-	64,175
Immersive technology	-	10,000	(10,000)	-	-	-
Stalls refurbishment	-	15,000	(15,000)	-	-	-
Racing welfare	580	7,250	(7,830)	-	-	-
Horsebox grant	-	25,000	-	-	-	25,000
Commercial assistance	-	50,000	(50,000)	-	-	-
Big Lottery funding	-	57,825	-	-	-	57,825

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**22. Statement of funds (continued)**

***Statement of funds - prior year (continued)***

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Peter O'Sullivan Trust - Lunge pen	48,125	-	-	-	-	48,125
The Racing Foundation- Lunge pen	8,045	-	-	-	-	8,045
Accomodation review	-	40,000	(40,000)	-	-	-
Peter O'Sullivan Trust - Fitness facility	14,000	-	(140)	(13,860)	-	-
BHA & HBLB programmes	-	1,203,665	(1,203,665)	-	-	-
	<u>158,019</u>	<u>1,488,598</u>	<u>(1,369,587)</u>	<u>(13,860)</u>	<u>-</u>	<u>263,170</u>
<b>Total of funds</b>	<u><u>1,051,454</u></u>	<u><u>2,738,773</u></u>	<u><u>(2,463,970)</u></u>	<u><u>-</u></u>	<u><u>(498,000)</u></u>	<u><u>828,257</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 JULY 2021*

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**Restricted Funds**

The funds of the charity include restricted funds comprising the following unexpended balances of grants and donations held on trust to be applied for specific purposes:

The Horseracing grant scheme represents a contribution from the British Horseracing Authority towards the costs of the construction of the ground floor of what will become the College's proposed new accommodation block, the construction of this has not begun.

The regional training grant represents grants received from the Racing Foundation under its 'People Development' initiative to provide Rider coaching sessions, simulator training and theoretical coaching for the racing Community.

Horsebox grant - to fund a new horsebox.

Big Lottery - Youth engagement support - grant to provide additional support to disadvantaged learners.

The lunge pen grant are two grants, one from The Peter O'Sullivan Trust and one from The Racing Foundation to create a new lunge pen for the horses, included in the building of the lunge pen is a new racehorse simulator.

The BHA & HBLB programmes fund is money received from the British Horseracing Association in order for the college to deliver its courses and help with the day to day running of the facility.

Peter O'Sullivan simulator is a grant from the POS Charitable Trust to assist the Charity to purchase a new Racing Simulator which is a significant upgrade to its existing provision.

IT Grant is a Grant from BHA to help NHC to finance a major upgrade to its IT infrastructure. The new facilities improve both provision to Learners and to the administration of the Charity.

MIS compliance manager is a grant from the Racing Foundation to contribute to the Salary of the Contract Coordinator to assist in ensuring the maximum subsidy from Government funds to the costs of the Charity.

Immersive technology - for new technology purchases.

Stalls refurbishment - to fund refurbishment to the stalls.

Racing welfare fund the life skills programme which seeks to provide skills to learners to help them become resilient and effective communicators who are equipped for independent living.

Commercial assistance is in relation to a three year project to fund the recruitment and employment of a Business Development Manager to assist in the generation of additional commercial revenues.

The accommodation review grant was a grant in order to fund someone to come in and review the residential facilities at the college in order to prioritise what areas needed improvement and where savings can be made whilst improving the accommodation facilities.

**Transfer between funds**

A transfer has been made from restricted funds to unrestricted funds for capital expenditure where the conditions of the funding have been fulfilled.

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**23. Summary of funds**

**Summary of funds - current year**

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
Designated funds	56,335	-	-	-	-	56,335
General funds	508,752	1,241,255	(1,075,596)	60,000	243,000	977,411
Restricted funds	263,170	1,526,988	(1,483,395)	(60,000)	-	246,763
	<b>828,257</b>	<b>2,768,243</b>	<b>(2,558,991)</b>	<b>-</b>	<b>243,000</b>	<b>1,280,509</b>

**Summary of funds - prior year**

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Designated funds	-	56,335	-	-	-	56,335
General funds	893,435	1,193,840	(1,094,383)	13,860	(498,000)	508,752
Restricted funds	158,019	1,488,598	(1,369,587)	(13,860)	-	263,170
	<b>1,051,454</b>	<b>2,738,773</b>	<b>(2,463,970)</b>	<b>-</b>	<b>(498,000)</b>	<b>828,257</b>

**24. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,894,369	-	2,894,369
Current assets	553,026	246,763	799,789
Creditors due within one year	(426,587)	-	(426,587)
Creditors due in more than one year	(313,062)	-	(313,062)
Provisions for liabilities and charges	(1,674,000)	-	(1,674,000)
<b>Total</b>	<b>1,033,746</b>	<b>246,763</b>	<b>1,280,509</b>

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**24. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,857,743	-	2,857,743
Current assets	409,369	263,170	672,539
Creditors due within one year	(380,272)	-	(380,272)
Creditors due in more than one year	(438,753)	-	(438,753)
Provisions for liabilities and charges	(1,883,000)	-	(1,883,000)
<b>Total</b>	<b>565,087</b>	<b>263,170</b>	<b>828,257</b>

**25. Reconciliation of net movement in funds to net cash flow from operating activities**

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	<b>209,252</b>	274,803
<b>Adjustments for:</b>		
Depreciation charges	<b>98,108</b>	87,664
(Increase)/decrease in stocks	<b>3,946</b>	(4,035)
Increase in debtors	<b>(92,223)</b>	(49,831)
Increase in creditors	<b>45,006</b>	34,659
Interest paid	<b>20,760</b>	23,098
Defined benefit pension adjustment	<b>34,000</b>	40,000
<b>Net cash provided by operating activities</b>	<b>318,849</b>	406,358

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**26. Analysis of cash and cash equivalents**

	<b>Group 2021</b>	<b>Group 2020</b>
	£	£
Cash in hand	591,481	551,748
<b><i>Total cash and cash equivalents</i></b>	<b>591,481</b>	<b>551,748</b>

**27. Analysis of changes in net debt**

	<b>At 1 August 2020</b>	<b>Cash flows</b>	<b>At 31 July 2021</b>
	£	£	£
Cash at bank and in hand	551,748	39,733	591,481
Debt due within 1 year	(61,440)	(2,828)	(64,268)
Debt due after 1 year	(432,257)	120,294	(311,963)
Finance leases	(15,950)	6,156	(9,794)
	<b>42,101</b>	<b>163,355</b>	<b>205,456</b>

**28. Capital commitments**

	<b>Group 2021</b>	<b>Group 2020</b>
	£	£
<b><i>Contracted for but not provided in these financial statements</i></b>		
Acquisition of tangible fixed assets	38,000	-

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**29. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge includes contributions payable by the company to the fund and amounted to £47,235 (2020: £28,836). Contributions totalling £2,035 (2020: £3,391) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefit pension scheme.

National Horseracing College is a member of the South Yorkshire Pension scheme which is a multi-employer pension scheme providing benefits on final pensionable pay. The assets of the scheme are held separately from those of National Horseracing College. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with National Horseracing College. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

A full actuarial valuation was carried out as at 31 March 2019 and to the 31 July 2021 specifically for the college by Mercer Human Resource Consulting Limited.

The contributions made for the year ended 31 July 2021 were £56,000 (2020: £59,000).

At the balance sheet date there were outstanding contributions payable of £4,497 (2020: £2,700).

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	<b>At 31 July 2021</b>	At 31 July 2020
	%	%
Discount rate	<b>1.60</b>	1.60
Future salary increases	<b>3.85</b>	3.55
Future pension increases	<b>2.70</b>	2.40
Inflation assumption	<b>2.60</b>	2.30
	<b>At 31 July 2021</b>	At 31 July 2020
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	<b>22.5</b>	22.4
- at 65 for a male aged 45 now	<b>24.0</b>	23.9
- for a female aged 65 now	<b>25.3</b>	25.2
- at 65 for a female aged 45 now	<b>27.2</b>	27.1

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

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**29. Pension commitments (continued)**

The Group's share of the assets in the scheme was:

	<b>At 31 July 2021</b>	At 31 July 2020
	£	£
Equities	<b>1,593,000</b>	1,322,000
Government bonds	<b>465,000</b>	446,000
Other bonds	<b>252,000</b>	254,000
Property	<b>292,000</b>	240,000
Cash and other liquid assets	<b>60,000</b>	117,000
Other	<b>657,000</b>	480,000
<b><i>Total fair value of assets</i></b>	<b>3,319,000</b>	2,859,000

The actual return on scheme assets was £463,000 (2020 - £-33,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	<b>2021</b>	2020
	£	£
Current service cost	<b>60,000</b>	65,000
Past service cost	<b>(55,000)</b>	3,000
Interest income	<b>(46,000)</b>	(65,000)
Interest cost	<b>75,000</b>	95,000
Administrative expenses	<b>1,000</b>	1,000
<b><i>Total amount recognised in the Consolidated Statement of Financial Activities</i></b>	<b>35,000</b>	99,000

**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

**29. Pension commitments (continued)**

Movements in the present value of the defined benefit obligation were as follows:

	2021 £
Opening defined benefit obligation	4,742,000
Current service cost	60,000
Interest cost	75,000
Contributions by scheme participants	10,000
Actuarial losses	175,000
Benefits paid	(69,000)
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<b>Closing defined benefit obligation</b>	<b>4,993,000</b>
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Movements in the fair value of the Group's share of scheme assets were as follows:

	2021 £
Opening fair value of scheme assets	2,859,000
Expected return on assets	46,000
Actuarial gains/(losses)	418,000
Contributions by employer	56,000
Contributions by scheme participants	10,000
Benefits paid	(69,000)
Administration expenses	(1,000)
	<hr/>
<b>Closing fair value of scheme assets</b>	<b>3,319,000</b>
	<hr/> <hr/>

Amounts for the current and previous period for the defined benefit pension schemes are as follows:

	2021 £	2020 £
Defined benefit obligation	(4,993,000)	(4,742,000)
Scheme assets	3,319,000	2,859,000
	<hr/>	<hr/>
Deficit	(1,674,000)	(1,883,000)
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Experience adjustments on scheme liabilities	(175,000)	(343,000)
Experience adjustment on scheme assets	418,000	(155,000)

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**NATIONAL HORSERACING COLLEGE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 JULY 2021*

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**30. Operating lease commitments**

At 31 July 2021 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b> <b>2021</b> £	Group 2020 £	<b>Company</b> <b>2021</b> £	Company 2020 £
Not later than 1 year	<b>1,643</b>	3,051	<b>1,643</b>	3,051
Later than 1 year and not later than 5 years	<b>1,980</b>	2,930	<b>1,980</b>	2,930
	<b>3,623</b>	5,981	<b>3,623</b>	5,981

The following lease payments have been recognised as an expense in the Statement of financial activities:

	<b>Group</b> <b>2021</b> £	Group 2020 £	<b>Company</b> <b>2021</b> £	Company 2020 £
Operating lease rentals	<b>18,902</b>	15,353	<b>18,902</b>	15,353

**31. Related party transactions**

During the year purchases were made from NHC Trading Limited (a wholly owned trading subsidiary) totalling £2,896 (2020: £6,663). Management charges of £49,915 were made in the year to NHC Trading Limited (2020: £9,137). At the year end £134,721 (2020: £76,465) was due from NHC Trading Limited.

**32. Controlling party**

The Trust is a charity limited by guarantee and is therefore ultimately controlled by the Trustees.